

AGENDA



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	31308	Agenda Number	41.
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Meeting Date:	March 20, 2014
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Department:	Purchasing
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Subject

Authorize award and execution of a 36-month requirements supply contract with WEBBERVILLE PROPANE, INC. DBA DIRECT PROPANE SERVICES to provide fuel grade propane supply and delivery in a total amount not to exceed \$2,121,795, with three 12-month extension options in a total amount not to exceed \$707,265 per extension option, for a total contract amount not to exceed \$4,243,590.

Amount and Source of Funding

Funding in the amount of \$353,633 is available in the Fiscal Year 2013-2014 Operating Budget of the Fleet Services Department. Funding for the remaining 30-months of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Lowest bid received.
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Prior Council Action:	
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For More Information:	Jonathan Dalchau, Buyer II, 512-974-2938
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Boards and Commission Action:	
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Related Items:	
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MBE / WBE:	This contract will be awarded in compliance with City Code Chapter 2-9D (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this contract.
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Additional Backup Information

This contract is for the supply of liquefied petroleum gas fuel (LPG) for approximately 319 bi-fuel vehicles and equipment in the City's fleet that are equipped to operate on either gasoline or LPG. LPG fuel is a cleaner burning fuel than gasoline. The City will reduce air emissions by using LPG in these vehicles. LPG offers an 18% reduction in CO2 and a 10% reduction in NOx when compared to unleaded gasoline and additionally, propane on average, costs approximately one half the price of unleaded. Currently the City has LPG fueling capabilities at five locations in Austin. Estimated costs are based on historical usage.

In addition, Fleet Services supplies LPG at Austin-Bergstrom International Airport that provides shuttle services on airport property. In accordance with the terms of the shuttle bus services contract, the City is reimbursed for the costs of this fuel by the shuttle bus contractor. LPG powers the four shuttle vans used to carry passengers to and from parking areas to the main gates.

The price per gallon is established on a weekly basis. The City pays the Index price plus the vendor's firm-fixed differential (mark-up) per gallon. The fuel index price is defined as the per-gallon price of propane as shown in the Butane Propane News' Weekly Propane Newsletter under the Mont Belvieu Average.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0

BID TABULATION:

IFB JRD0006
HD-5 Propane Supply and Delivery
(3 line items)

<u>Vendor</u>	<u>Fixed Price above Mont Belvieu Average</u>
Webberville Propane Manor, TX	\$0.2885
Pinnacle Propane LLC Irving, TX	\$0.33

A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FSD Purchasing Office website.

PRICE ANALYSIS

- a. Adequate competition.
- b. Twenty-one notices were sent, including 0 MBEs and 0 WBEs. Two Bids were received with no MBEs/WBEs responding.
- c. The pricing offered reflects a 10% increase when comparing similar lines to the last contract award in May 2007.

APPROVAL JUSTIFICATION

- a. Lowest bid received.
- b. The Purchasing Office concurs with the Fleet Services Division's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.

